

WEATHER FORECAST
TONIGHT AND SATURDAY, OC-
CASIONAL RAIN OR SNOW

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KLAMATH FALLS, OREGON, FRIDAY, MARCH 10, 1922

PRICE FIVE CENTS

PROBE REVEALS GIGANTIC ARMY GOODS SWINDLE

Property Valued at Over
\$1,000,000 Disposed
of for \$150,000

LOS ANGELES, March 10.—Confessions of conspiracy to defraud the government of hundreds of thousands of dollars in an army goods auction at Camp Kearney last month, obtained today from a member of a large firm of salvage agents, revealed a swindle of amazing proportions. Army goods valued at \$1,000,000 are alleged to have been disposed of for \$150,000.

The plot to defraud the government of upwards of \$1,000,000 was hatched in the U. S. Grant hotel in San Diego. A dictaphone planted in the plotters' room transmitted every word to the federal agent in the chamber adjoining.

Heads Like Fiction
The story of how U. S. secret agents tracked down the auction sale swindlers reads like fiction. It opens with F. M. Sturgis, chief of the department of justice agents, receiving an ad to send a man to watch a big auction of army goods which was to be held at Camp Kearney.

The man chosen to go was R. E. Ferguson, an agent who had tracked down a gang of army swindlers in Detroit. He went to the San Diego hotel. Here he found that the auctioneer and the two quartermaster corps officers in charge of the sale were living together on very intimate terms. With them were two department store proprietors. Several other Los Angeles business men were daily callers.

In order to find out just what was in the wind, Ferguson employed "Indian Dick," a celebrated character, with the tracking instincts of a bloodhound.

"Indian Dick" shadowed the men, and from places of concealment under their very feet overheard enough of their conversation to give Ferguson an inkling of the huge plot on foot to defraud the government.

Place Dictaphone
Ferguson sent for help, and George Gratewell hurried to San Diego to assist him. Together they planted the dictaphone in the room occupied by the plotters.

With their ears at the receivers in the adjoining room the federal agents learned that a conspiracy existed between the auctioneer, the officers in charge of the sale and a ring of buyers. The million dollars worth of government supplies was to be knocked down to the conspirators at prices that were just enough to maintain the camouflage of a sale.

Signals were agreed upon. The conspirators were prepared to make a big cleanup. The ring of plotters found out they were being watched, but did not suspect the true facts. They believed a gang of bandits was shadowing them to get their money and prepared to give the supposed robbers a battle in the hotel.

The signal system worked perfectly. "Five thousand, six thousand, seven thousand, sold," rattled the auctioneer so fast the outside buyers hardly realized what was happening. Big lots of army supplies, office and field equipment were knocked down at pre-arranged prices to members of the buyers' ring.

But the swindle gang received its first surprise when the buyers called for their goods. They were informed that delivery was held up by order of the secretary of war. Back at the hotel room they discussed this peculiar turn of affairs. Ferguson and Gratewell strolled over and knocked at the door. The plotters opened the door to confront the supposed bandits. They reached for their weapons.

"It's not a holdup," smiled Ferguson. "We just want to get that dictaphone down from the transom. There'll be a pinch about next Friday gentlemen."

The plotters were struck with consternation. None of them dared to abandon their business interests and flee town, as the federal agents very well knew. But some of the weaker brethren hurried to "get in out of the rain," just as the agents had planned. The confessions received from two of the gang were all that was needed to complete the case against them. The arrest of one of the principals followed.

U. S. DEMANDS RETURN OF OCCUPATION COSTS BE MADE BY GERMANY

PARIS, March 10.—A demand from the United States that 241,000,000 for its expenses in connection with the occupation of the Rhineland be paid before any reparations are paid was presented to the allied finance ministers today.

HIXON HEARING ON ASSAULT CHARGE IS SET FOR MARCH 15

Is Arraigned in Justice Court Today; Arthur Hamaker Reportedly Out of Danger

Lester Hixon, accused of having shot and seriously wounded Arthur Hamaker in Rly Wednesday morning, this afternoon was arraigned before Justice of the Peace Garghagen on a charge of assault with intent to kill. Hixon demanded a hearing which was set for March 15 at 10 a. m. The court appointed Wm. Marx as his attorney.

Arthur Hamaker today was reported resting easily, and it was believed he was out of danger.

MANAGER SIDE WINS

Councilmanic Debaters Defeated by Vote of 11 to 8

The smallness of the crowd did not cool the ardor of the debaters who argued the advisability of change in Klamath Falls municipal government from the councilmanic to city manager form at the chamber of commerce rooms last night.

The city manager advocates triumphed, by decision of the audience, 11 to 8. They had the advantage of numbers. H. D. Newell, R. H. Dunbar, W. A. Delzell and E. B. Hall composing their team, while Judge A. L. Leavitt and W. O. Smith maintained the negative, defending the existing councilmanic system.

The affirmative side pointed to the growing adoption of the city manager plans, now 12 years old. It was stated that 245 municipalities have it, and that letters from a large portion of them, in reply to queries from the local team expressed satisfaction with it. It was argued that the city manager plan is past the experimental stage, that it substitutes business for political methods in the conduct of city affairs and puts experts in charge of the business.

The negative team maintained that the plan was unproven, a fad, that it would be unwise to substitute for a system that had stood the test of more than a century. They pointed out, the city council had no control over the bonding power, which it was conceded, was the means of plunging municipalities in debt. The people vote the bonds, the council only administers the expenditure of the money. City managerial government would not change this condition, hence would be no remedy against over indebtedness.

Furthermore it was held that the plan was un-American, undemocratic and unconstitutional, in that it aims to substitute one-man power for the will of the people. It was argued, reduction of absurdity, that to pursue the logical sequence would mean the choice of state managers and finally a national manager, completely overthrowing the constitutional idea of government that has stood the test of more than a century.

DISCARD CONFESSION

Person Who Admitted Killing Taylor Is Held Unbalanced

LOS ANGELES, March 10.—Police detectives assigned to the William Desmond Taylor mystery today announced they had discarded the "confession" recently mailed here from Atlantic City, N. J. as the work of an unbalanced mind.

They said the handwriting of the man whose name was signed to the "confession"—a prominent figure in the motion picture industry—in no way corresponded to that in which the document was written.

Captain of Detectives David L. Adams, however, was quoted as stating his opinion there was a possibility of important information resulting from the "confession."

Detective Sergeant Herman Cline, head of the homicide squad, said he had obtained a statement from a 10-year-old girl, living near the Taylor bungalow, that Edward F. Sands, missing former butler-secretary to the film director, whom she knew well, was in Los Angeles long after he was supposed to have left the city.

DEPT. OF LABOR TAKES HAND IN LUMBER STRIKE

Two Commissioners Assigned to Investigate the Local Situation

Commissioners March and Connell have been assigned by the board of conciliation of the department of labor to investigate the local strike situation, according to a telegram received today from H. L. Kerwin, director on conciliation, in response to the request sent yesterday by Mayor W. S. Wiley.

A disposition to be of aid in clearing up the local situation was indicated in a telegram from Wm. F. Woodward of Portland, chairman of the state board of conciliation. Further information was requested of the mayor.

Mayor Wiley's action in calling upon the state and national boards was the result of a conference with a group of representative business men. He said he wanted it understood by both operators and timber workers that his position was entirely that of mediator, and that his aim was to settle the difficulty to the satisfaction of all concerned. He pointed out that the strike concerns the general public as well as employers and employees, and that in viewing the situation from that standpoint he is acting in his official capacity.

DORRIS PLANTS IDLE

Situation Remains Unchanged With Discouraging Prospects

DORRIS, Calif., March 10.—The labor situation locally, affecting both box factories situated here, remains unchanged. Pending the decision of a board of conciliation, which will sit on the matter in the near future, it is not thought likely that either the Associated Lumber and Box company or the Dorris Lumber and Box company will resume operation.

The general condition of business in the industry at present is not encouraging, according to local managers, and it is for this reason that the factories may remain idle for a month or six weeks.

DIXON CASE DISMISSED

The case of Bessie M. Dixon against R. H. Bunnell and Benson Dixon in the matter of the administration of the estate of Louis B. Dixon, deceased, was dismissed today by Judge Stone.

WIRELESS CONTROL PLAN RECOMMENDED AT RADIO MEETING

Allocation of Wave Lengths and Supervision of All Commercial Plants Included

WASHINGTON, D. C., March 10.—Allocation of 29 wave lengths among various classes of wireless telephony senders, and government control of the establishment of all commercial wireless transmitting telephonic stations was recommended by committees of the government radio conference today.

The recommendations do not provide for government control of receiving stations.

Amateur transmitting stations would be given exclusive use of wave lengths from 150 to 200 meters and share with technical and training schools wave lengths from 200 to 275 meters.

DISCOVER BANK LOOT

Deposit Slips of Centerville Institution Are Found

THE DALLES, March 10.—Deposit slips of the Farmers State bank of Centerville, Wash., robbed last night, were found today in an abandoned automobile here. There was nothing else of value in the car, which was left on the side of the road with the front end and engine smashed.

The robbers forced the safety deposit boxes, but did not tamper with the lock safe of the bank.

Locomotive Was Pinched

Will Be Tried in Court

SPokane, Wash., March 10.—Though out of jail on \$15,000 bonds, an electric locomotive and freight car operated by the Spokane & Eastern railway and Power company over the company's interurban lines must be produced in the federal court in Spokane in May, when it is expected the railway company will be tried for alleged transportation of liquor. Federal officers claim to have found five cases of liquor in the car at Colfax recently.

"It's silly," declared Waldo Paine, traffic manager of the company, in commenting on the temporary release from custody of the car. "The law was meant to cover only automobiles in which liquor is transported. A similar case in which a pullman car was involved was tried and the car dismissed."

Bond for the release of the law-breaking rolling stock was posted personally by the officers of the company. The freight car is the property of the Great Northern railway, it is said, but it is on the Spokane and Eastern rails.

SEVERE QUAKES ROCK SOUTHERN CALIF. CITIES

Oil Pipe Is Broken in Four Places; Tremor Is Felt in Los Angeles

BAKERSFIELD, Cal., March 10.—One of the heaviest earth tremors in years was felt here at 3:23 this morning. Clocks operated by telegraphs stopped.

SAN LUIS OBISPO, March 10.—A severe earthquake, early this morning broke a Union Oil company pipe line in four places.

LOS ANGELES, March 10.—Clocks here were stopped by an earthquake here this morning. No serious damage was reported.

VINSON APPREHENDED

Man Indicted for Larceny of Horses Caught in Oakland

Sheriff Lloyd L. Low received a wire this morning from the Oakland chief of police to the effect that he had A. H. Vinson in his custody, and that he would return here without extradition papers if an officer came after him.

Vinson was charged with larceny of horses in the Bonanza country, and was indicted by the grand jury in December, but left the country before an officer could take him in charge.

Sheriff Low stated that he would leave for Oakland in the morning.

CITY FIRE LOSS LOW

Small Amount Paid in January, None in February or March

Fire losses paid in this city this year total only \$275, said Fire Chief Ambrose today.

The loss was from a blaze in the basement of the Klamath general hospital in January, and most of the damage resulted from smoke from burning fuel oil.

There were no losses paid in February nor to date in March, Ambrose said.

CATHOLIC PRELATE PAYING LOCAL PARISH A VISIT

The Right Reverend Joseph McGrath, bishop of the Catholic diocese of Baker City, is making his quarterly visit to Klamath Falls. He will remain over the week-end.

ADMINISTRATION HEADS BLOCK MOVE TO DELAY FOUR POWER DEBATE

WASHINGTON, D. C., March 10.—Administration leaders today blocked requests that the Four Power treaty debate be temporarily delayed, insisting that the irreconcilables present their case or let voting on the reservations begin.

WIRELESS OPERATOR LAUGHS AT DEATH AS STEAMER GOES DOWN

Twenty Perish When Vessel Is Destroyed; Last Message Is One of Witticisms

NEW YORK, March 10.—The grim humor of a wireless operator, who laughed at death and flashed striking bits of wit into the ether as his ship, the Norwegian steamer Grontoft, wallowed and slowly sank during a mid-Atlantic hurricane last Thursday, was recorded on the radio log of the Danish steam Estonia, arriving here today. Each detail of the ship's plight, each call for aid, was supplemented by the jesting comment of the radio man, whose identity is still unknown. He talked as if he were going on a lark in port, instead of to the bottom of the sea. His last message, a disjointed one, was a series of witticisms—with death as the butt of the joke. Twenty men were on the ill-fated ship.

The Estonia, herself hard hit in the 110-mile gale, made a valiant, but unsuccessful effort to reach the Grontoft, which first sent out calls for aid at 10 o'clock last Thursday morning, reporting her position as about 700 miles east of Cape Race. The Estonia at that time was 48 miles west of the disabled Norwegian and steaming in an opposite direction. Captain Hans Jorgenson ordered his ship about and she steamed slowly toward the Grontoft.

Meanwhile radio operator Hanson engaged the operator of the Grontoft in conversation. The latter sent out first the following—stereotyped irony of the seas:

"God pity the poor sailors on a night like this." Then followed a series of "Ha, ha," "and say," he continued, "the old man thinks this calm will be over by nightfall. We sure need some breeze."

An hour later an urgent call for aid was sent out by the Grontoft and her operator jested again.

"Looks Like Picnic."
"Well, the steward is making sandwiches for the lifeboats. Looks like we are going on a picnic."

Again a half hour later he sent:

"The old wagon has a list like a rundown heel. This is no weather for a fellow to be out in without an umbrella."

"Hold on," returned the Estonia's wireless, "we'll be alongside soon." The Grontoft did not reply until 40 minutes later. Then:

"We are sinking stern first. The norths are smashed. Can't hold out any longer."

"The skipper dictated that—he ought to know—where did I put my hat—sorry we can't wait for you, pressing business elsewhere—"
"S—"

The Estonia's operator quoted in reply these lines:

"What dam of lances brought thee forth
"To jest at dawn with Death?"

A 100-mile gale, which piled the sea into mountainous heights, swept the spot where the Grontoft and her crew disappeared, it was reported today by Captain James Blaikie, D. S. C., veteran skipper of the liner Cameronia, which arrived here today from Glasgow, after an almost continuous battle with rough weather.

The Cameronia sighted no wreckage of the Grontoft and it was Captain Blaikie's belief that she went down with all hands.

FORMER BOXER KILLED

Johnny O'Leary Shot to Death by Frank E. Leslie

SEATTLE, Wash., March 10.—Johnny O'Leary, former Canadian champion lightweight boxer, was shot and instantly killed today by E. Frank Leslie, ship worker, who surrendered.

Leslie told the police that O'Leary and another man attacked him, O'Leary with a piece of pipe and the other man with rocks.

Leslie said the pair attacked him because he worked in an oil plant where a strike was in progress.

LOVE AT FIRST SIGHT, ASSERTS MRS. OBENCHAIN

Cared for J. Bolton Kennedy Even When She Married School Chum

LOS ANGELES, March 10.—Madelyne Obenchain, pale and somewhat nervous, underwent cross-examination today in her trial for the murder of J. Bolton Kennedy.

It was a case of love at first sight, her answers indicated. She first met Kennedy at her mother's home in 1907 when he showed the property to a relative. They met several times soon thereafter and on the second or third time he mentioned love, she testified. She said he cared for her but was under obligations to another girl.

In 1918 Kennedy first asked her to marry him and she consented. The engagement continued for five months. Then Ralph Obenchain, a former school chum, arrived in Los Angeles in December and she broke the engagement with Kennedy because of Kennedy's home condition, though she loved him when she married Obenchain, she said.

CLUB PLAY MAKES HIT

Histrionic Ability Displayed in Large Quantity

Histrionic ability was displayed in large quantity in the "Princes of Liars," the University club play at the Star theatre last night. Laughs were almost continuous and amusing situations followed one another with amazing rapidity. The audience laughed until it forgot to applaud.

John Houston, director and leading man, played the part of the harassed husband with all the skill of an experienced actor. He was ably supported by every member of the cast, including Mildred Hoagland, Andy McGee, Meta Chastain, Kenneth Perry, Teddie Durbin, Verda Pope, Mildred Thrasher and Walter Marshall.

The play will be repeated tonight.

DROUGHT BILL PASSED

\$1,000,000 Authorized to Aid Farmers of Northwest

WASHINGTON, D. C., March 10.—The house by a vote of 91 to 82 passed a bill authorizing \$1,000,000 appropriation for the purchase of seed for farmers in the drought stricken regions of the northwest.

The senate passed a \$5,000,000 bill and the difference must be compromised before the bill goes to the president.

The bulk of the funds would go to North Dakota, Montana, Idaho and Washington farmers.

COAL STRIKE LOOMS

Hope of Averting National Walk-Out Seems Vanished

INDIANAPOLIS, March 10.—Hope of averting a nation-wide coal strike seemed vanished among mine union officials today owing to the refusal of some operators to meet the miners to negotiate an interstate wage agreement.

RICKARD'S TRIAL IS SET FOR MARCH 20

NEW YORK, March 10.—Trial of Tex Rickard, boxing promoter, on an indictment charging criminal assault upon Alice Ruck, 15-year-old school girl, was set for March 20.

MARKET REPORT

PORTLAND, March 10.—Cattle, sheep and hogs steady, pigs 25c higher; eggs, weak; butter, steady. Wheat, \$1.25 to \$1.31.

WEATHER PROBABILITIES

The general tendency of the barometric pressure is still downward, the Cyclo-Stormograph at Underwood's Pharmacy registering another fall this afternoon.

The indications are, therefore, that the storm is not yet at an end and that tonight will bring more snow. Forecast for next 24 hours: Continued unsettled weather, with moderate temperatures.

The Tycoo recording thermometer registered maximum and minimum temperatures, today, as follows: High 38 Low 18

NOT AS FRIENDLESS AS HE THOUGHT HE WAS

